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ILLINOIS COMMERCE COMMISSION

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STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

CONSUMERS ILLINOIS WATER COMPANY)
Petition for (1) issuance of a Certificate of Public)
Convenience and Necessity ("Certificate") to)
operate a water supply and distribution system and) **Docket 00-0366**
sewage collection system in Lake County;)
(2) approval of accounting entries related to)
acquisition of facilities; (3) approval for application)
of rates.)

COMMENT ON STAFF REPLY BRIEF

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January 22, 2001

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

CONSUMERS ILLINOIS WATER COMPANY)
Petition for (1) issuance of a Certificate of Public)
Convenience and Necessity ("Certificate") to operate a)
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accounting entries related to acquisition of facilities;)
(3) approval for application of rates.)

COMMENT ON STAFF REPLY BRIEF

Consumers Illinois Water Company ("CIWC") offers the following comments on the Reply Brief submitted by Staff in the above-referenced matter on January 17, 2001. While CIWC is in disagreement with much of the discussion in Staff's Reply Brief, CIWC will comment on only one area not addressed by Staff in its Initial Brief, and with respect to which Staff offers an assertion which is both extra-record and incorrect.

In its Initial Brief (pp. 18-22), and Reply Brief (pp. 7-13), CIWC points out that the two accounts shown on Staff's Schedule 3 do not include all capitalized costs associated with the sewer system. In this respect, CIWC relies, in part, on testimony of Mr. Richard Ackman, Thorngate's General Manager and Chief Operating Officer. As CIWC points out (Init. Br., p. 20), Mr. Ackman confirmed that the costs for many capital projects completed for sewer operations (installation of equipment to transfer effluent flow from the sewer system to sprayer irrigation fields; replacement of up to seven grinder pumps and other projects) are not reflected in the two accounts. [Tr. 73-75.]

In its Reply Brief, Staff asserts (Reply Br., p. 9) incorrectly that Mr. Ackman's examples, "include a single capital item-equipment for sprayer irrigation fields on the golf course (which is

obviously not used to provide utility service)." This assertion is both extra-record and incorrect.

The fact that Mr. Ackman referred to, not one, but several capital projects (including replacement of grinder pumps in lift stations) is apparent from a review of the record.

[Tr. 73-75.] Mr. Ackman further explained that the capital project referenced by Staff was, "to install roughly \$60,000 of hard equipment and a lot of in-house labor" to transfer "the flow of water from the sewer system and getting it to the sprayer irrigation fields on the golf course."

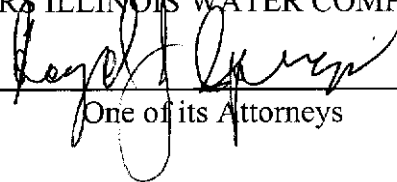
[Tr. 73.] Staff's suggestion that equipment necessary to transfer the sewer effluent flow to the irrigation system (which is how the effluent is disposed of - CIWC Ex. 1.0, Sch. C, p. 20) is not used to provide utility service is extra-record, false and misleading.

Dated: January 22, 2001

Respectfully submitted,

CONSUMERS ILLINOIS WATER COMPANY

By: _____




One of its Attorneys

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CERTIFICATE OF SERVICE

Boyd J. Springer, an attorney, hereby certifies that he served a copy of the Motion to File Comment on Staff Reply Brief and Comment on Staff Reply Brief of Consumers Illinois Water Company on the individuals shown on the attached Service List via U. S. Mail on Monday, January 22, 2001.



Boyd J. Springer

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